

**MS HOLDINGS LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 201414628C)

---

**BINDING TERM SHEET RELATING TO THE PROPOSED INVESTMENT IN MURRAY PRINCE  
PTE LTD (THE "JV COMPANY") AND PROPOSED LOANS TO THE JV COMPANY**

---

**1. INTRODUCTION**

- 1.1 The Board of Directors of MS Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Company had on 14 January 2016 entered into a binding conditional term sheet ("**Term Sheet**") with ACT Holdings Pte. Ltd. ("**ACT**") in connection with a proposed subscription of new shares in the share capital of the JV Company.
- 1.2 The JV Company is an investment holding company incorporated in Singapore. The current shareholders of the JV Company comprise (i) ACT, which holds 9,000 ordinary shares representing 90% of the issued share capital; and (ii) Aspen Development Pte. Ltd., ("**Aspen**"), which holds 10% of the issued share capital of the JV Company. Aspen is a subsidiary company of ACT.
- 1.3 The JV Company owns 30.0% of the issued share capital of PMA Graha Indah Semesta ("**Target Company**"), a company incorporated in Indonesia. The other shareholders of the Target Company are PT Jaya Prima Integra ("**JPI**") and Foreland Development Pte. Ltd. ("**Vendor**"), each holding 12.5% and 57.5% of the issued share capital of the Target Company, respectively.
- 1.4 The Target Company is the owner of a land parcel measuring approximately 11,000 sqm located in the Alam Sutera Township, Serpong Utara District of South Tangerang, in Banten province, Indonesia (the "**10M Site**"). The Target Company is undertaking a project to develop residential towers with ancillary commercial space on the "10M Site".
- 1.5 As at the date of this announcement, the Vendor has granted loans amounting to approximately Rp 94.4 billion (approximately S\$9,916,240 based on an exchange rate of S\$1: Rp 9,519.73) ("**Vendor Loan**") to the Target Company.
- 1.6 The Term Sheet is intended to set out the main principles that will underlie the definitive legal documentation (the "**Definitive Agreements**") that the parties to the Term Sheet will enter into concerning the Proposed Investment (as defined below), Proposed Acquisition (as defined below) and JPI Acquisition (as defined below).

## 2. SALIENT TERMS OF THE TERM SHEET

### 2.1 Subscription of Shares in the JV Company

Pursuant to the Term Sheet, it is contemplated that the Company (or its nominee) will subscribe for 4,545 ordinary shares (“**Subscription Shares**”) in the share capital of the JV Company at an issue price of S\$1.00 per share (“**Proposed Investment**”). Following the completion of the Proposed Investment, the shareholders of the JV Company will comprise ACT, Aspen and the Company, holding approximately 61.87%, 6.88% and 31.25% of the issued share capital of the JV Company respectively.

### 2.2 Proposed Acquisition

Further, it is contemplated under the Term Sheet that the JV Company shall upon, *inter alia*, the completion of the Proposed Investment, acquire from the Vendor 250,000 ordinary shares representing 50% of the issued share capital of the Target Company and the Vendor shall novate a proportionate amount of the Vendor Loan (being an amount equivalent to approximately Rp 82.1 billion or approximately S\$8,624,190) to the JV Company (collectively, the “**Proposed Acquisition**”). The aggregate consideration for the Proposed Acquisition is Rp 94.0 billion (approximately S\$9,874,220) (“**Consideration**”).

Concurrently with the completion of the Proposed Acquisition, the Vendor shall sell 37,500 ordinary shares representing 7.5% of the issued share capital of the Target Company to JPI (“**JPI Acquisition**”).

Upon the completion of the Proposed Acquisition and the JPI Acquisition, the shareholders of the Target Company will comprise (i) the JV Company holding 400,000 ordinary shares representing 80% of the issued share capital of the Target Company; and (ii) JPI holding 100,000 ordinary shares representing 20% of the issued share capital of the Target Company.

### 2.3 Shareholders’ loans

In connection with the Proposed Investment, each of the Company and ACT shall grant loans aggregating S\$5,375,000 and S\$5,825,000, respectively, to the JV Company (the “**Loans**”). The Company and ACT agree that:

- (i) S\$1.0 million of the Loans (comprising S\$500,000 from the Company and S\$500,000 from ACT) shall be used solely for the purpose of the payment of the deposit in respect of the Proposed Acquisition (“**Initial Loans**”);
- (ii) S\$1.2 million of the Loans (comprising S\$375,000 from the Company and S\$825,000 from ACT) shall be used solely for the working capital requirements of the Target Company (“**Working Capital Loans**”); and
- (iii) S\$9.0 million of the Loans (comprising S\$4,500,000 from the Company and S\$4,500,000 from ACT) shall be used solely for the payment of the balance Consideration for the Proposed Acquisition (the “**Acquisition Loan**”).

Each of the Company and ACT has entered into separate agreements with the JV Company in respect of their respective contributions for the Initial Loans and the Working Capital Loans. The portion of the Initial Loans and Working Capital Loans granted by the Company is secured by a corporate guarantee from ACT.

The disbursement of the Acquisition Loan is conditional upon the completion of the Proposed Investment.

The Initial Loans and the Working Capital Loans shall be interest free subject to the execution of the Definitive Agreements and the completion of the Proposed Investment and Proposed Acquisition. In the event that:

- (i) the Term Sheet is terminated and the Definitive Agreements have not been finalised and executed by the relevant parties thereto; or
- (ii) the Proposed Investment and/or the Proposed Acquisition is not completed in accordance with the terms of the Definitive Agreements,

the Initial Loans and the Working Capital Loans shall bear simple interest at the rate of 5% per annum (calculated on the basis of 365 days per year) commencing from the date of disbursement of the loans.

#### 2.4 Conditions precedent

The completion of the Proposed Investment is subject to the JV Company, ACT and the Company (or its nominee) having entered into a definitive subscription agreement ("**Subscription Agreement**") for the Proposed Investment and the conditions precedent thereunder (including but not limited to the following) being fulfilled or waived before the date falling six (6) months from the date of the Subscription Agreement ("**Conditions Precedent**"):

- a) the Company obtaining all necessary corporate and third party consents, including but not limited to the approval of the Company's shareholders for the Proposed Investment, if required;
- b) ACT, the Company (or its nominee) and Aspen entering into a shareholders' agreement to govern their relationship as shareholders of the JV Company;
- c) the JV Company and JPI entering into a shareholders agreement to govern their relationship as shareholders of the Target Company, upon the completion of the Proposed Acquisition and the JPI Acquisition;
- d) ACT and the Company agreeing on the project budget and funding requirements of the development of the "10M" Site;
- e) the results of the financial, legal and operational due diligence exercises undertaken by the Company on the JV Company, the Target Company, and each of their subsidiaries being satisfactory to the Company in its sole and absolute discretion;

- f) all applicable governmental and regulatory approval/clearance for the Proposed Investment and Proposed Acquisition having been received and not withdrawn or revoked as at the completion of the Proposed Investment and Proposed Acquisition, respectively, and if approval is subject to any condition(s) or restriction(s), such condition(s) being reasonably acceptable to the Company;
- g) valuation of the “10M” Site held by the Target Company, as completed by an independent valuer approved by the Company and which complies with the Catalist Rules, being not less than Rp 188,000,000,000 (or approximately S\$19,748,400);
- h) there being no material breach of any warranty, representation, undertaking or obligation by the parties as set out in the agreements relating to the Proposed Investment, Proposed Acquisition and the JPI Acquisition as at the date of signing and as at completion;
- i) the Company being satisfied that the terms of:
  - (i) all loans granted by the JV Company to the Target Company shall rank at least *pari passu* with all outstanding loans owing by the Target Company to its other shareholders; and
  - (ii) all loans granted by the Company to the JV Company shall rank at least *pari passu* with all outstanding loans owing by the JV Company to its other shareholders and with all the claims of all its other unsecured and unsubordinated creditors;
- j) the JV Company having entered into a sale and purchase agreement with the Vendor in respect of the Proposed Acquisition on the terms set out in the Term Sheet and on such other terms and conditions reasonably acceptable to each of ACT and the Company; and
- k) JPI having entered into a sale and purchase agreement with the Vendor in respect of the JPI Acquisition on terms and conditions reasonably acceptable to each of ACT and the Company.

### **3. EXCLUSIVITY**

The Term Sheet shall terminate on the date falling two (2) months from the date of the Term Sheet (“**Term Sheet Expiry Date**”). Prior to the Term Sheet Expiry Date, parties shall procure that its respective officers and directors shall not solicit, initiate, encourage or engage in any other proposals from any other person in respect of any transaction that will affect the execution or successful consummation of the Proposed Investment and the Proposed Acquisition.

### **4. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

## 5. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Investment and the Proposed Acquisition and the Company and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## 6. FURTHER ANNOUNCEMENTS

Shareholders of the Company should note that the Proposed Investment and the Proposed Acquisition are subject to the parties entering into the Definitive Agreements (including the Subscription Agreement) and other conditions (including the Conditions Precedent). There is no certainty or assurance as at the date of this announcement that the parties will be able to enter into the Definitive Agreements, or that the Proposed Investment and/or the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof (including those set out in paragraph 2 above). Accordingly, shareholders of the Company are advised to exercise caution when trading in the shares of the Company.

The Company will make further announcements on the Proposed Investment and the Proposed Acquisition (including information required under Chapter 10 of the Listing Manual Section B : Rules of Catalist) when the Definitive Agreements are executed or as and when appropriate to update shareholders on the progress of the above transactions. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Yap Chin Hock  
Executive Director and Chief Executive Officer  
18 January 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Khong Choun Mun, Managing Director, Equity Capital Markets and Mr Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03, UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.*